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Biden's Office secures second criminal indictment in investment fraud case

Wilmington – Attorney General Beau Biden announced today that his Securities Unit has obtained an indictment against a Michigan man for allegedly swindling a New Castle County resident out of more than a quarter-million dollars.

Patrick A. Wiley, age 43, of Detroit, Michigan, was charged in today's indictment with securities fraud, selling unregistered securities, theft, and racketeering. The indictment arises out of an investment recovery scam perpetrated by Wiley against a New Castle County victim from October, 2005 to November, 2007.

"We are particularly disturbed by crimes that use trust and confidence as a means to an illegitimate end. The victim in this case has lost over \$300,000 in a con game," Biden said. "With deep sympathies for her loss, we remind all Delawareans that any deal that sounds too good to be true, probably is."

The investment recovery scam grew out of an investment scam that the victim had fallen prey to in early 2005. At that time, Darren Dobson, a New Castle County resident, induced the victim to invest in a "joint trading venture" that supposedly involved several wealthy persons in London, England. Dobson claimed that a \$50,000 investment would yield a return of \$10 million by June, 2005. The victim invested in this venture by wiring \$45,000 to a company called VFG Management, LLC in Tampa, Florida, the entity through which the London partners were supposedly operating the joint trading venture.

In June, 2005, when the promised investment return failed to materialize, the victim contacted others who were believed to have invested in the venture, including Patrick Wiley. Wiley claimed he had information regarding the principals involved and that he would pursue them to obtain the victim's promised investment return. On numerous occasions between October, 2005 and November, 2007, Wiley solicited funds from the victim to defray the cost of his efforts, including trips that he was supposedly taking abroad for meetings with the London trading partners and their attorney. During that time period, the victim wired more than \$276,000 to Wiley on sixty-one separate occasions. The victim never received the promised investment return or the investment principal.

The indictment announced today by the Attorney General follows a New Castle County Grand Jury indictment in February, 2010 of Darren Dobson (age 45, currently residing in Charlotte, North Carolina) on charges of securities fraud, the sale of unregistered securities, and the transaction of business as an unregistered agent. Trial in that case is scheduled for September, 2010.

The Attorney General's Office, through its Securities Unit, enforces the Delaware Securities Act, which regulates the sale of investment products and the activities of investment professionals in Delaware. The Unit investigates and prosecutes securities fraud and licensing violations by investment brokers and advisers. Delaware investors are encouraged to report suspected incidents of investment crime and fraud by calling the Attorney General's Securities Fraud Hotline at (302) 577-8424.

The Delaware Department of Justice reminds the public that an indictment is merely an allegation and is not evidence of guilt. Defendants are presumed innocent and are entitled to a jury trial at which the state bears the burden of proving each charge beyond a reasonable doubt.

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